

CERT # 57890 DIST/RSSD: 03 / 413208 HSBC BANK USA, NATIONAL ASSOCIATION WILMINGTON, DE
 CHARTER # 24522 COUNTY: NEW CASTLE

DECEMBER 31, 2006 UNIFORM BANK PERFORMANCE REPORT

INFORMATION

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INTRODUCTION

THIS UNIFORM BANK PERFORMANCE REPORT COVERS THE OPERATIONS OF YOUR BANK AND THAT OF A COMPARABLE GROUP OF PEER BANKS. IT IS PROVIDED FOR YOUR USE AS A MANAGEMENT TOOL BY THE FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL. DETAILED INFORMATION CONCERNING THIS REPORT IS PROVIDED IN "A USER'S GUIDE FOR THE UNIFORM BANK PERFORMANCE REPORT" FORWARDED TO YOUR BANK UNDER SEPARATE COVER. TO OBTAIN ADDITIONAL USER'S GUIDE OR OTHER UBPR MATERIALS, CALL THE NUMBER INDICATED AT RIGHT FOR ORDERING ASSISTANCE.

AS OF THE DATE OF PREPARATION OF THIS REPORT, YOUR BANK'S FEDERAL REGULATOR WAS THE OFFICE OF THE COMPTROLLER OF THE CURRENCY

YOUR CURRENT PEER GROUP # 1 INCLUDES ALL INSURED COMMERCIAL BANKS HAVING ASSETS IN EXCESS OF \$3 BILLION.

PEER GROUPS BY REPORTING PERIOD:

12/31/2006: 1, 12/31/2005: 1, 12/31/2004: 1, 12/31/2003: , 12/31/2002: .

FOR THE DEFINITION OF OTHER UBPR PEER GROUPS, REFER TO THE UBPR USER'S GUIDE.

ADDRESSEE CHIEF EXECUTIVE OFFICER
 HSBC BANK USA, NATIONAL ASSOCIATION
 1105 N. MARKET STREET
 WILMINGTON, DE 19801-0000

NOTE

THIS REPORT HAS BEEN PRODUCED FOR THE USE OF THE FEDERAL REGULATORS OF FINANCIAL INSTITUTIONS IN CARRYING OUT THEIR SUPERVISORY RESPONSIBILITIES. ALL INFORMATION CONTAINED HEREIN WAS OBTAINED FROM SOURCES DEEMED RELIABLE. HOWEVER NO GUARANTEE IS GIVEN AS TO THE ACCURACY OF THE DATA OR OF THE CALCULATIONS DERIVED THEREFROM. THE DATA AND CALCULATIONS IN THIS REPORT DO NOT INDICATE APPROVAL OR DISAPPROVAL OF ANY PARTICULAR INSTITUTION'S PERFORMANCE AND ARE NOT TO BE CONSTRUED AS A RATING OF ANY INSTITUTION BY FEDERAL BANK REGULATORS. USERS ARE CAUTIONED THAT ANY CONCLUSIONS DRAWN FROM THIS REPORT ARE THEIR OWN AND ARE NOT TO BE ATTRIBUTED TO THE FEDERAL BANK REGULATORS.

THE REPORTS OF CONDITION AND INCOME FOR THIS BANK CONTAIN ADDITIONAL INFORMATION NOT INCLUDED IN THIS PERFORMANCE REPORT, SUCH AS AN OPTIONAL NARRATIVE STATEMENT BY THE BANK.

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FOR ORDERING ASSISTANCE CONTACT THE FDIC PUBLIC INFORMATION CENTER: 877 275-3342
 (IN THE WASHINGTON, DC AREA: (202) 898-7108)

QUESTIONS CONCERNING CONTENT OF REPORTS CONTACT: JOHN SMULLEN 703 516-5732
 OR email jsmulLEN@fdic.gov

BANK AND BANK HOLDING COMPANY INFORMATION

CERTIFICATE # 57890 CHARTER # 24522
 DIST/RSSD: 03 / 413208
 HSBC HOLDINGS PLC
 (HOLDING CO. # 1857108)
 LONDON
 (HOLDING COMPANY REFERS TO TOP HOLDER)

CERT # 57890 DIST/RSSD: 03 / 413208
 CHARTER # 24522COUNTY:

HSBC BANK USA, NATIONAL ASSOCIATION
 BALANCE SHEET - ASSETS, LIABILITIES AND CAPITAL (\$000)

WILMINGTON, DE
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	12/31/2006	12/31/2005	12/31/2004	12/31/2003	12/31/2002	PERCENT CHANGE	
						1 QTR	1 YEAR
ASSETS:				N/A	N/A		
REAL ESTATE LOANS	48,612,847	52,971,791	54,946,419	N/A	N/A	-2.36	-8.23
COMMERCIAL LOANS	15,974,742	13,014,623	9,677,030	N/A	N/A	2.18	22.74
INDIVIDUAL LOANS	20,890,520	18,587,164	15,139,669	N/A	N/A	6.35	12.39
AGRICULTURAL LOANS	48,549	28,659	33,875	N/A	N/A	-1.84	69.40
OTHER LN&LS IN DOMESTIC OFFICES	1,833,688	2,460,458	1,721,843	N/A	N/A	-6.01	-25.47
LN&LS IN FOREIGN OFFICES	2,764,848	3,151,090	2,899,860	N/A	N/A	-2.31	-12.26
LOANS HELD FOR SALE	4,723,063	4,564,407	1,745,329	N/A	N/A	-3.25	3.48
LOANS NOT HELD FOR SALE	85,402,131	85,649,378	82,673,367	N/A	N/A	0.45	-0.29
LN&LS ALLOWANCE	894,222	844,809	786,894	N/A	N/A	1.17	5.85
NET LOANS & LEASES	89,230,972	89,368,976	83,631,802	N/A	N/A	0.24	-0.15
U S TREASURY & AGENCY SECURITIES	17,865,850	16,255,037	14,353,073	N/A	N/A	-2.50	9.91
MUNICIPAL SECURITIES	497,594	569,339	317,187	N/A	N/A	48.18	-12.60
FOREIGN DEBT SECURITIES	915,072	665,353	1,247,531	N/A	N/A	6.43	37.53
ALL OTHER SECURITIES	3,085,636	3,102,309	2,350,302	N/A	N/A	2.53	-0.54
INTEREST-BEARING BANK BALANCES	2,193,023	2,916,646	2,697,821	N/A	N/A	-15.64	-24.81
FEDERAL FUNDS SOLD & REALES	13,703,986	4,562,083	3,122,925	N/A	N/A		
TRADING ACCOUNT ASSETS	24,751,492	19,806,966	19,240,333	N/A	N/A	-1.98	24.96
TOTAL INVESTMENTS	63,012,653	47,877,733	43,329,172	N/A	N/A		
TOTAL EARNING ASSETS	152,243,625	137,246,709	126,960,974	N/A	N/A		
NONINT CASH & DUE FROM BANKS	3,296,504	4,439,559	2,623,961	N/A	N/A	-10.24	-25.75
PREMISES, FIX ASSTS, CAP LEASES	537,648	535,695	590,686	N/A	N/A	2.26	0.36
OTHER REAL ESTATE OWNED	50,658	32,038	13,723	N/A	N/A	9.43	58.12
INV IN UNCONSOLIDATED SUBS	325,714	332,406	264,804	N/A	N/A		
ACCEPTANCES & OTH ASSETS	9,218,868	8,093,074	7,842,126	N/A	N/A	15.18	13.91
TOTAL ASSETS	165,673,017	150,679,481	138,296,274	N/A	N/A	-0.58	9.95
AVERAGE ASSETS DURING QUARTER	165,683,180	149,487,635	124,988,441	N/A	N/A	0.19	10.83

				N/A	N/A		
LIABILITIES				N/A	N/A		
DEMAND DEPOSITS	5,928,173	9,656,924	7,589,162	N/A	N/A	-2.11	-38.61
ALL NOW & ATS ACCOUNTS	456,914	355,856	325,769	N/A	N/A	22.34	28.40
MONEY MARKET DEPOSIT ACCOUNTS	18,764,379	8,667,571	5,631,051	N/A	N/A	3.28	116.49
OTHER SAVINGS DEPOSITS	26,118,498	20,142,788	20,994,363	N/A	N/A	3.80	29.67
TIME DEP UNDER \$100M	6,249,596	5,963,637	4,647,302	N/A	N/A	2.66	4.80
CORE DEPOSITS	57,517,560	44,786,776	39,187,647	N/A	N/A	2.99	28.43
TIME DEP OF \$100M OR MORE	19,178,252	22,780,688	18,470,449	N/A	N/A	3.53	-15.81
DEPOSITS IN FOREIGN OFFICES	30,569,234	27,480,161	23,620,455	N/A	N/A	12.84	11.24
TOTAL DEPOSITS	107,265,046	95,047,625	81,278,551	N/A	N/A	5.72	12.85
FEDERAL FUNDS PURCH & RESALE	1,487,128	1,330,348	3,884,622	N/A	N/A		
FED HOME LOAN BOR MAT < 1 YR	2,508,341	1,000,731	28,113	N/A	N/A	24.48	150.65
FED HOME LOAN BOR MAT > 1 YR	2,508,581	4,007,532	5,005,670	N/A	N/A	-16.62	-37.40
OTH BORROWING MAT < 1 YR	5,880,940	8,153,552	3,474,577	N/A	N/A	-47.00	-27.87
OTH BORROWING MAT > 1 YR	26,624,233	20,855,818	25,737,791	N/A	N/A	12.65	27.66
ACCEPTANCES & OTHER LIABILITIES	3,252,947	4,120,731	3,985,291	N/A	N/A	-51.37	-21.06
TOTAL LIABILITIES (INCL MORTG)	149,527,216	134,516,337	123,394,615	N/A	N/A	-0.57	11.16
SUBORD NOTES AND DEBENTURES	3,887,869	4,275,045	3,529,099	N/A	N/A	-7.27	-9.06
ALL COMMON & PREFERRED CAPITAL	12,257,932	11,888,099	11,372,560	N/A	N/A	1.64	3.11
TOTAL LIBILITIES & CAPITAL	165,673,017	150,679,481	138,296,274	N/A	N/A	-0.58	9.95
MEMORANDA:				N/A	N/A		
OFFICER, SHAREHOLDER LOANS (#)	9	5	4	N/A	N/A		
OFFICER, SHAREHOLDER LOANS (\$)	10,813	19,545	31,086	N/A	N/A	-56.57	-44.68
NON-INVESTMENT ORE	50,658	32,038	13,723	N/A	N/A	9.43	58.12
HELD-TO-MATURITY SECURITIES	2,864,307	3,043,721	3,729,507	N/A	N/A	-0.60	-5.89
AVAILABLE-FOR-SALE-SECURITIES	19,499,845	17,548,317	14,538,586	N/A	N/A	-0.75	11.12
ALL BROKERED DEPOSITS	231,700	115,736	2,660	N/A	N/A	-0.17	100.20